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THE DOMINION OF CANADA GENERAL INSURANCE COMPANY / INCORPORATED 23 JUNE 1887

CONSOLIDATED ANNUAL REPORT 31 DECEMBER, 1967

THE CASUALTY COMPANY OF CANADA / INCORPORATED 19 MAY 1911



THE TOWN OF CHATELAIN GENERAL ASSURANCE COMPANY

EIGHTY-FIRST ANNUAL REPORT

of the Directors of

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY

Presented at the Annual Meeting held at the Head Office of the Company,
165 University Avenue, Toronto, March 8, 1968.

Your Directors beg to submit the Consolidated Report and Financial Statements as at December 31, 1967 of The Dominion of Canada General Insurance Company and its subsidiary Company, The Casualty Company of Canada.

Premium Income amounted to \$22,031,877, which together with Income from Investments of \$2,745,833 provided Total Income of \$24,777,710, an increase of \$2,320,103 over the previous year.

Profit for the year was \$2,837,901. After providing for Income Tax of \$915,000 the Net Profit for the year was \$1,922,901. Four quarterly Dividends of 25¢ plus an extra Dividend of 25¢ were declared requiring in all \$252,575. The net increase in Surplus Account for the year was \$1,728,123.

Assets totalled \$58,721,667 at the close of the year. After making provision for Claims Reserves of \$11,334,290, Premium and Policy Reserves of \$31,310,531, and adequately providing for all other Liabilities, Capital and Surplus total \$9,155,623. In addition, the Reserve for Contingencies amounts to \$3,212,857.

1967 has been the best year in the history of our Company Group. I know you would wish me to express your grateful appreciation to our Agents, our Officials and all our personnel from coast to coast for their loyal and conscientious support without which such favourable results could not have been produced.

HENRY S. GOODERHAM, *President.*

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY
and its subsidiary company THE CASUALTY COMPANY OF CANADA

CONSOLIDATED STATEMENT OF OPERATIONS AND SURPLUS FOR THE YEAR ENDED DECEMBER 31, 1967

Income

Premium Income.....
Investment Income.....

Expense

Claims Incurred.....
Maturities, Surrenders, Annuity Payments and Transfer.....
Agency Commissions.....
Operating Expenses.....
Staff Pension Fund.....
Premium Taxes and Licences.....
Increase in Unearned Premiums and Reserves
for Life Insurance and Annuity Contracts.....

PROFIT BEFORE PROVIDING FOR INCOME TAXES.....
PROVISION FOR INCOME TAXES.....
NET PROFIT FOR THE YEAR.....
SURPLUS, BEGINNING OF THE YEAR.....
NET GAIN (LOSS) ON SALE OF INVESTMENTS.....
REDUCTION OF RETIRING ALLOWANCE FUND.....
GAIN ON CURRENCY EXCHANGE.....
INCOME TAX ADJUSTMENTS OF PRIOR YEARS.....

DIVIDENDS TO SHAREHOLDERS.....
TRANSFERRED TO RESERVE FOR CONTINGENCIES.....

SURPLUS, END OF THE YEAR.....

The notes on page 6 are an integral part of the financial statements.

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY

and its subsidiary company THE CASUALTY COMPANY OF CANADA

GENERAL INSURANCE		LIFE INSURANCE		TOTAL	
1967	1966	1967	1966	1967	1966
\$18,914,059	10% <u>\$17,100,723</u>	\$ 3,117,818	\$ 2,903,612	\$22,031,877	\$20,004,335
1,214,261	1,057,321	1,531,572	9.7% 1,395,951	2,745,833	2,453,272
<u>\$20,128,320</u>	<u>\$18,158,044</u>	<u>\$ 4,649,390</u>	<u>\$ 4,299,563</u>	<u>\$24,777,710</u>	<u>\$22,457,607</u>
\$10,287,087	\$ 9,107,109	\$ 548,702	\$ 522,369	\$10,835,789	\$ 9,629,478
—	—	1,856,601	1,297,911	1,856,601	1,297,911
3,227,162	2,794,245	286,086	297,044	3,513,248	3,091,289
2,759,411	2,561,726	904,233	880,763	3,663,644	3,442,489
77,916	68,929	128,103	122,424	206,019	191,353
477,247	428,378	75,368	70,863	552,615	499,241
752,028	876,095	559,865	917,969	1,311,893	1,794,064
<u>\$17,580,851</u>	<u>\$15,836,482</u>	<u>\$ 4,358,958</u>	<u>\$ 4,109,343</u>	<u>\$21,939,809</u>	<u>\$19,945,825</u>
\$ 2,547,469	\$ 2,321,562	\$ 290,432	\$ 190,220	\$ 2,837,901	\$ 2,511,782
1,214,261 915,000	840,000	—	—	915,000	840,000
\$ 1,632,469	\$ 1,481,562	\$ 290,432	5.3% \$ 190,220	\$ 1,922,901	1.9% \$ 1,671,782
5,030,550	4,043,606	1,386,650	1,175,013	6,417,200	5,218,619
42,624	9,673	(45,845)	21,417	(3,221)	31,090
48,973	—	—	—	48,973	—
—	—	12,045	—	12,045	—
—	5,346	—	—	—	5,346
<u>\$ 6,754,616</u>	<u>\$ 5,540,187</u>	<u>\$ 1,643,282</u>	<u>\$ 1,386,650</u>	<u>\$ 8,397,898</u>	<u>\$ 6,926,837</u>
252,575	209,637	—	—	252,575	209,637
—	300,000	—	—	—	300,000
<u>\$ 252,575</u>	<u>\$ 509,637</u>	<u>—</u>	<u>—</u>	<u>\$ 252,575</u>	<u>\$ 509,637</u>
<u>\$ 6,502,041</u>	<u>\$ 5,030,550</u>	<u>\$ 1,643,282</u>	<u>\$ 1,386,650</u>	<u>\$ 8,145,323</u>	<u>\$ 6,417,200</u>

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY
and its subsidiary company **THE CASUALTY COMPANY OF CANADA**

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1967

<i>Assets</i>	Bonds, Debentures, Stocks and Mortgages
	Real Estate—Head Office Properties (note 1)
	Policy Loans
	Premiums in Course of Collection
	Investment Income Accrued
	Cash
	Short-Term Investments
	Due from Reinsurers and Others

<i>Liabilities</i>	Unpaid and Unreported Claims
	Unearned Premiums and Reserves for Life Insurance and Annuity Contracts
	Income Taxes
	Premium Taxes
	Funds on Deposit
	Staff Pension Fund
	Due to Reinsurers and Others (note 2)
	Quarterly Dividend to Shareholders, Declared and Payable

<i>Capital Stock, Reserve for Contingencies and Surplus</i>	Capital Stock: Authorized—400,000 Common Shares of \$5 par value Issued and Fully Paid—202,060 Shares
	Reserve for Contingencies
	Surplus

The notes on page 6 are an integral part of the financial statements.

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY

and its subsidiary company THE CASUALTY COMPANY OF CANADA

GENERAL INSURANCE		LIFE INSURANCE		TOTAL	
1967	1966	1967	1966	1967	1966
\$23,456,261	\$20,233,074	\$22,201,582	\$21,083,991	\$45,657,843	\$41,317,065
2,603,051	2,635,963	2,603,051	2,635,963	5,206,102	5,271,926
—	—	1,265,316	1,343,395	1,265,316	1,343,395
3,536,897	3,091,541	159,343	150,125	3,696,240	3,241,666
209,276	182,157	266,492	249,658	475,768	431,815
1,730,148	1,258,649	44,290	162,908	1,774,438	1,421,557
500,000	1,344,298	—	—	500,000	1,344,298
145,960	154,491	—	1,440	145,960	155,931
<u>\$32,181,593</u>	<u>\$28,900,173</u>	<u>\$26,540,074</u>	<u>\$25,627,480</u>	<u>\$58,721,667</u>	<u>\$54,527,653</u>
\$11,056,602	\$ 9,551,704	\$ 277,688	\$ 227,761	\$11,334,290	\$ 9,779,465
9,759,003	9,006,975	21,551,528	20,991,663	31,310,531	29,998,638
355,554	671,008	—	—	355,554	671,008
164,788	148,375	20,000	20,000	184,788	168,375
78,023	120,737	206,642	212,374	284,665	333,111
—	—	2,157,329	2,121,030	2,157,329	2,121,030
491,910	587,802	183,605	168,002	675,515	755,804
50,515	50,515	—	—	50,515	50,515
<u>\$21,956,395</u>	<u>\$20,137,116</u>	<u>\$24,396,792</u>	<u>\$23,740,830</u>	<u>\$46,353,187</u>	<u>\$43,877,946</u>
1,010,300	1,010,300	—	—	1,010,300	1,010,300
2,712,857	2,722,207	500,000	500,000	3,212,857	3,222,207
6,502,041	5,030,550	1,643,282	1,386,650	8,145,323	6,417,200
<u>\$32,181,593</u>	<u>\$28,900,173</u>	<u>\$26,540,074</u>	<u>\$25,627,480</u>	<u>\$58,721,667</u>	<u>\$54,527,653</u>

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 1967

1. With respect to the Head Office Building, the Company follows the practice of claiming, for income tax purposes, capital cost allowance in excess of the depreciation provided in the accounts. As a result, the total reduction of income taxes to December 31, 1967, amounted to \$226,600 of which \$24,600 is applicable to 1967.
2. The minority interest of shareholders of the subsidiary company (1967—\$34,002; 1966—\$19,896) is included in amounts due to reinsurers and others.

AUDITORS' REPORT

To the Shareholders of

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY:

We have examined the Consolidated Balance Sheet of The Dominion of Canada General Insurance Company and its subsidiary company, The Casualty Company of Canada, as at December 31, 1967, and the Consolidated Statement of Operations and Surplus for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. Reserves for life insurance and annuity contracts and the Staff Pension Fund were determined and certified by the Company's Actuary.

Based on our examination and the certificate of the Company's Actuary, we report that, in our opinion, these Consolidated Financial Statements present fairly the financial position of the Companies as at December 31, 1967, and the results of their operations for the year then ended, in accordance with accounting practices appropriate to Canadian insurance companies, applied on a basis consistent with that of the preceding year.

Toronto, Ontario
February 9, 1968

DELOITTE, PLENDER, HASKINS & SELLS
Chartered Accountants.

BOARD OF DIRECTORS

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY
THE CASUALTY COMPANY OF CANADA

President

HENRY S. GOODERHAM

Vice-President, CANADA PERMANENT MORTGAGE CORPORATION

Vice-Presidents

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY

LESTER M. KEACHIE, C.B.E., Q.C.

BARRISTER-AT-LAW

PETER S. GOODERHAM

Vice-President, WILLS, BICKLE & COMPANY LIMITED

Vice-Presidents

THE CASUALTY COMPANY OF CANADA

HENRY R. JACKMAN, Q.C.

President, DOMINION & ANGLO
INVESTMENT CORPORATION LTD.

PETER S. GOODERHAM

Vice-President, WILLS, BICKLE & COMPANY LIMITED

HENRY N. R. JACKMAN

President, THE DEBENTURES AND SECURITIES CORPORATION OF CANADA

W. LEO KNOWLTON, Q.C.

Vice-President, CANADA PERMANENT TRUST COMPANY

BRIAN R. B. MAGEE

President, A. E. LEPAGE LIMITED

WILFRID MAVOR, C.B.E., M.C.

Chairman of Board, FERRO ENAMELS (CANADA) LTD.

LAURENCE M. SAVAGE

Company Director

General Managers

H. NORMAN HANLY

GENERAL INSURANCE

J. MURDOCH RUTHERFORD

LIFE INSURANCE

GENERAL INSURANCE OFFICIALS

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY
THE CASUALTY COMPANY OF CANADA

GENERAL MANAGER H. N. HANLY
ASSISTANT GENERAL MANAGER K. G. HUTCHISON
EXECUTIVE ASSISTANT F. G. ELLIOTT, F.I.I.C.
ACCOUNTS F. H. CLEMENT, *Manager*
AGENCY A. R. PETRIE, F.I.I.C., *Manager*
AUTOMOBILE H. B. BARNES, *Manager*
CASUALTY W. A. HORNE, A.I.I.A., *Manager*
CENTRAL SERVICES E. BOXALL, *Manager*
CLAIMS G. F. CONNOR, *Manager*
DATA PROCESSING B. A. EDGAR, F.I.I.C., F.L.M.I., *Manager*
FIRE L. BUTTERFIELD, *Manager*
INVESTMENT B. E. PURVIS, *Assistant Treasurer*
PERSONNEL AND PURCHASING L. H. TEMPLE, *Manager*
SECRETARY K. G. HUTCHISON

BRANCH OFFICES

Branch Manager

ALBERTA 540-12th Avenue S.W., Calgary . . . G. P. CRAW, F.I.I.C.
BRITISH COLUMBIA . . . 1309 West Pender Street, Vancouver . . . J. H. GLAVIN, A.I.I.C.
EASTERN ONTARIO . . . 151 Slater Street, Ottawa . . . D. A. WAUGH, A.I.I.C.
METROPOLITAN TORONTO 165 University Avenue, Toronto . . . R. H. LOUGHEED
MID-WEST 209 Notre Dame Avenue,
Winnipeg M. E. RICHARDSON, A.I.I.C.
QUEBEC AND MARITIME . 1010 Beaver Hall Hill, Montreal . S. J. DAVIDSON, A.I.I.C.

ONTARIO SERVICE OFFICES

BARRIE 34 Clapperton Street	CENTRAL ONTARIO 165 University Avenue, Toronto	CHATHAM 143 Wellington Street
HAMILTON 135 James Street South	KITCHENER 151 Frederick Street	LONDON 361 Richmond Street
	ST. CATHARINES 71 King Street	WINDSOR 374 Ouellette Avenue

LIFE INSURANCE OFFICIALS

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY

GENERAL MANAGER	J. M. RUTHERFORD
ASSISTANT GENERAL MANAGER AND ACTUARY	J. S. M. WASON, F.F.A., F.C.I.A.
ACCOUNTS	G. B. HOULDEN, <i>Manager</i>
ADMINISTRATION	A. L. FARLEY, F.L.M.I., <i>Administrative Assistant</i>
AGENCY	S. J. HARRIS, C.L.U., <i>Superintendent of Agencies</i>
DATA PROCESSING	B. A. EDGAR, F.I.I.C., F.L.M.I., <i>Manager</i>
INVESTMENT	B. E. PURVIS, <i>Assistant Treasurer</i>
MEDICAL	DR. EUGENE MONTGOMERY, <i>Medical Director</i>
PERSONNEL AND PURCHASING . . .	L. H. TEMPLE, <i>Manager</i>
SECRETARY	K. G. HUTCHISON

BRANCH OFFICES

Branch Manager

CALGARY	540-12th Avenue, S.W.	JOHN D. Y. DALGETTY
HAMILTON	135 James Street South	H. S. MALCOLMSON, C.L.U.
KITCHENER	151 Frederick Street	R. REICHERTZ
LONDON	361 Richmond Street	WILLIAM ATTLESEY
MONTREAL CENTRE	50 Crémazie Boulevard West	LOUIS DESROSIER
MONTREAL PROVINCIAL	50 Crémazie Boulevard West	L. H. LARAMÉE
OTTAWA	151 Slater Street	EDMUND CHAPUT
TORONTO CENTRAL	160 Bloor Street East	C. A. BROWN
TORONTO METRO	2 Carlton Street	C. F. WOODWARD, C.L.U.
TORONTO UPTOWN	43 Eglinton Avenue East	JOSEPH A. OUELLETTE
VANCOUVER	1309 West Pender Street	R. R. GATZKE
WINNIPEG	209 Notre Dame Avenue	C. JOHN GEE

auto	1,000,000	
casualty	2,641. —	+ 6.4%
fire	2,606. —	+ 9.2%

all claims ratio 56.8% up 0.5%

auto 61.2%

cas. 45.5%

fire 44.2%

B.C. Royal Comm. -
 report expected this month.
 believe that the rate
 per rat case for
 cost of auto ins in
 private for cent basis.